



COUNTY OF LOS ANGELES  
DEPARTMENT OF PARKS AND RECREATION

*"Parks Make Life Better!"*

Russ Guiney, Director

John Wicker, Chief Deputy Director

September 29, 2015

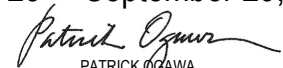
The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

**ADOPTED**

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

25 September 29, 2015

  
PATRICK O'GAWA  
ACTING EXECUTIVE OFFICER

**DELEGATE AUTHORITY TO EXECUTE AMENDMENT OF  
VICTORIA COUNTY GOLF COURSE LEASEHOLD CONTRACT NUMBER 50215  
AND DELEGATE AUTHORITY FOR APPROVAL OF A DELEGATION OF DUTIES AND  
ASSIGNMENT OF RIGHTS OF VICTORIA COUNTY GOLF COURSE LEASEHOLD  
FROM VICO, LLC TO PLENTITUDE HOLDINGS, LLC  
(ALL SUPERVISORIAL DISTRICTS) (3 VOTES)**

**SUBJECT**

The purpose of the recommended actions is to request delegated authority to the Director of the Department of Parks and Recreation to execute an amendment of the Victoria County Golf Course lease agreement between the County of Los Angeles and VICO, LLC, and to delegate authority to the Director of the Department of Parks and Recreation to approve a delegation of duties and assignment of rights of the Victoria County Golf Course leasehold from VICO, LLC to Plentitude Holdings, LLC.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Find that the proposed amendment and the approval of delegating duties and assignment of rights of the Victoria County Golf Course Lease Agreement from VICO, LLC to Plentitude Holdings, LLC are categorically exempt from the California Environmental Quality Act for the reasons stated herein and the reasons reflected in the record of the project.
2. Delegate authority to the Director of the Department of Parks and Recreation, or his designee, to execute Amendment No. 5 of the Victoria County Golf Course lease agreement between the County of Los Angeles and VICO, LLC, effective upon Board approval.

3. Delegate authority to the Director of the Department of Parks and Recreation, or his designee, to execute a delegation of duties and assignment of rights of the Victoria County Golf Course leasehold from VICO, LLC to Plentitude Holdings, LLC, effective October 1, 2015 and through the remainder of the term, July 31, 2035.

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

#### Lease Amendment No. 5

The Board has previously approved a Lease Agreement for the provision of Golf Course Management, Operation and Maintenance services at Victoria County Golf Course. VICO, LLC (VICO), the current leaseholder, is in default as a result of nonpayment of rent due to the County.

Approval of the recommended action will authorize the execution of Amendment No. 5 to the Victoria County Golf Course Lease Agreement so as to allow for uninterrupted service to the community by providing for a modified rent structure that will allow the County Department of Parks and Recreation (Department), to collect an appropriate rent and improve the golfing experience for County residents.

#### Delegation of Duties and Assignment of Rights

Approval of the recommended action to delegate duties and assign rights of the Victoria County Golf Course Lease Agreement from VICO to Plentitude Holdings, LLC (Plentitude), will partially resolve an issue involving unpaid rent from VICO, provide for capital improvements to the golf course, and provide an improved recreational experience for patrons. The past due rent owed by VICO to the County is approximately \$ 2,222,071. In addition, there are approximately \$1,806,708 in late fees and interest due to the County from VICO. In consideration of the delegation of duties and assignment of rights, however, Plentitude will pay the County a total of \$1,899,990 toward the back rent owed by VICO. Of that amount, \$550,997 will be deposited into the Victoria County Golf Course Capital Improvement Fund, in accordance with the terms of the Lease Agreement. The Department, in conjunction with the Treasurer and Tax Collector and County Counsel, shall continue to seek recovery from VICO for the remainder of back rent due, along with late fees and interest as appropriate.

## **Background**

### Lease Amendment No. 5

In July 1985, the County entered into a Lease Agreement (agreement number 50215) with National Golf and Tennis for the operation of Victoria County Golf Course. Since then, the Board has approved four amendments to this Lease Agreement. In 2006, the County approved an assignment of this agreement to VICO.

Under the current agreement, rent payments to the County are based upon the greater of a percentage of gross monthly receipts received by VICO, or an annual rent minimum payment of \$550,000, whichever is greater. This golf course is located on a former landfill and growing adequate turf is very challenging. Due to this lack of turf growth coverage, VICO notified the Department that it could not generate sufficient revenue to meet the rent payment requirements of the Lease Agreement, and requested a modification to the existing rent structure. Such a request is permitted pursuant to Section 5.01 of the Lease Agreement, which provides that either party may request a readjustment of rent.

In an effort to identify the appropriate rent structure that Victoria County Golf Course could realistically sustain, the Department engaged an independent consultant, Pro Forma Advisors, LLC to conduct a market and financial evaluation of the Victoria County Golf Course. The study concluded that the operation of this golf course was handicapped by two primary factors identified in Attachment III.

Historically, soil conditions have been very poor and past operators have been unsuccessful providing adequate turf coverage for the golfing public. The independent market analysis determined that the existing golf course conditions cannot support the existing rent structure. Additionally, the report states that in the event improvements are made, the property still cannot support the current rent structure. As such, the Department recommends the following modified rent structure identified in Attachment IV.

### Delegation of Duties and Assignment of Rights

In June 2015, VICO notified the Department of its request to delegate and assign the Lease Agreement from VICO to Plentitude. Consent for this delegation and assignment requires the County's approval.

If this action is approved, Plentitude will operate the Victoria County Golf Course pursuant to a management agreement with Greenway Golf for the management, operation, and maintenance of the Victoria County Golf Course. Greenway Golf is a qualified operator of golf courses currently operating four properties, three of which are municipally owned. The Department's Golf Division has surveyed each of these property owners and has received positive feedback as to Greenway's management of these golf courses.

As consideration for the delegation of duties and assignment of rights of the Lease Agreement from VICO to Plentitude, Plentitude will provide the following:

- Plentitude shall pay the County a total of \$1,899,990 toward the back rent due to the County from VICO. This will be paid to County in seven installment payments. The first payment of \$900,000 is due within 60 days of the effective date of County's approval of this delegation of duties and assignment of rights. The final payment is due to County no later than May 31, 2017. A portion of the back rent paid shall be deposited into the Victoria County Golf Course Capital Improvement Fund, in accordance with the Lease Agreement.
- Plentitude agrees to invest at least \$800,000 in mutually agreed upon improvements and maintenance of the Victoria County Golf Course within two years of the effective date of the delegation of duties and assignment of rights. Additionally, Plentitude shall deposit in to the Victoria County Golf Course Capital Improvement Fund a total of \$1,002,000, in installment payments. The first payment of \$334,000 is due by September 30, 2018, with the final installment payment due to County no later than September 30, 2020.
- Finally, Plentitude shall deposit with the Department a security deposit in the amount of \$150,000 within 30 days of the effective date of the Delegation of Duties and Assignment of Rights.

### **Implementation of Strategic Plan Goals**

The recommended actions will further the County's Strategic Plan Goal of Community and Community Support and Responsiveness (Goal 2), by enriching the lives of County residents and visitors by ensuring quality regional open space, recreational and public works infrastructure services for County residents, and deliver customer oriented municipal services to the County's diverse unincorporated communities.

### **FISCAL IMPACT/FINANCING**

In addition to Plentitude's contributions toward past rent due and capital improvements, the Board's approval of the recommended actions will result in additional benefit to the County in the form of ongoing rental fees and contributions to the Victoria Golf Course Capital Improvement Trust Funds. Based on the terms of the Lease Amendment, it is estimated that the Department will receive payments from the operator of \$55,000 for Fiscal Year (FY) 2015-16 (10 months), \$91,000 for FY 2016-17 and \$9,054,000 over the remaining term of 19 years and 10 months. These payments will be collected on a monthly basis, based on the rental fee schedule, and will be deposited into the Department's Operating Budget and the Capital Improvement Trust Funds in accordance with the terms of the Lease Agreement.

### **Operating Budget Impact**

Based on the terms of the recommended Lease Amendment, it is estimated that the Department's Operating Budget will realize estimated rent revenues of \$14,000 for Fiscal Year (FY) 2015-16 (10 months), \$24,000 for FY 2016-17 and \$4,719,000 over the remaining term of the Lease Amendment. Based on these projections, the Department will work with the Chief Executive Office to adjust its operating revenue estimates for FYs 2015-16 and 2016-17, accordingly. The Department does not expect any operating cost increase resulting from the recommended Lease Amendment or Delegation of Duties and Assignment of Rights.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

Under the recommended action, the Director will use delegated authority to execute the amendment as well as the delegation of duties and assignment of rights of Contract Number 50215. In addition the Lease Amendment incorporates a transfer fee on any future transfers and or assignments. The Lease Amendment and the Delegation of Duties and Assignment of Rights are approved as to form by County Counsel.

### **ENVIRONMENTAL DOCUMENTATION**

The proposed actions are categorically exempt from the California Environmental Quality Act (CEQA). The actions, which consist of modifying the rent structure and delegating duties and assignment of rights of the Victoria County Golf Course Lease Agreement from VICO to Plentitude are within certain classes of projects that have been determined not to have a significant effect on the environment in that it meets the criteria set forth in Section 15301 of the State CEQA Guidelines and Class 1(r) of the County's Environmental Document Reporting Procedures and Guidelines, Appendix G, because the action consists of operation and leasing of an existing facility.

### **CONTRACTING PROCESS**

The contracting process does not apply since the proposed lease amendment and the proposed delegation of duties and assignment of rights do not require a solicitation per the terms of the existing lease agreement. VICO requested a modification to the existing rent structure. Such a request is permitted pursuant to Section 5.01 of the Lease Agreement, which provides that either party may request a readjustment of rent. The Department recommends that a modification of the existing Lease Agreement is in the best interest of the Department and to improve the golfing experience of County residents. In addition, the proposed delegation of duties and assignment of rights is authorized pursuant to the terms of the existing contract approved by the Board.

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

There will be no negative impact on current County services or projects during the performance of the recommended services.

**CONCLUSION**

It is requested that three adopted copies of the action taken by the Board be forwarded to the Department of Parks and Recreation.

Should you have any questions please contact Jorge Badel at (626) 821-4650 or jbadel@parks.lacounty.gov, Kandy Hays at (626) 821-4600 or khays@parks.lacounty.gov, Kasey Dizon at (213) 738-2986 or kdizon@parks.lacounty.gov, or Kaye Michelson at (213) 738-2955 or kmichelson@parks.lacounty.gov.

Respectfully submitted,



RUSS GUINEY  
Director or his Designee

RG:JW:RM  
KEH:JAB:rc

Attachment

c: Interim Chief Executive Officer  
Interim County Counsel  
Acting Executive Officer, Board of Supervisors

**LEASE AMENDMENT NUMBER 5 TO  
LEASE AGREEMENT NUMBER 50215 FOR  
THE OPERATION AND MAINTENANCE OF THE VICTORIA COUNTY GOLF COURSE**

This Lease Amendment Number 5 is made and entered into this 29 day of  
**SEPTEMBER** 2015,

BY AND BETWEEN

**COUNTY OF LOS ANGELES**, a body  
corporate and politic, hereinafter referred  
to as "County."

and

**VICO, LLC**  
hereinafter "Lessee"

**WHEREAS**, on July 9, 1985, the County and National Golf and Tennis, Inc. entered into a twenty (20) year Lease Agreement for the operation and maintenance of the Victoria County Golf Course, further identified as Lease Agreement Number 50215, and any Lease Amendments thereto (all hereinafter referred to as "Lease Agreement"); and

**WHEREAS**, in March 1994, National Golf and Tennis, Inc. transferred its interest in the Lease Agreement to the Arnold Palmer Golf Management Company which was eventually redesignated as Victoria Golf LLC; and

**WHEREAS**, on May 13, 1997, the County entered into a Lease Amendment (Amendment No. 1) to the Lease Agreement pursuant to which, among other things, provided for significant improvements to the Victoria Golf Course; and

**WHEREAS**, on July 27, 1999, the County entered into a Lease Amendment (Amendment No. 2) to the Lease Agreement pursuant to which, among other things, extend the term of the Lease Agreement thirty (30) years consecutive to the original term thereof; and

**WHEREAS**, on October 7, 2006, the County entered into a Lease Amendment (Amendment No. 3) to the Lease Agreement pursuant to which, among other things, the Lessee began collecting funds for the County's Junior Golf Program; and

**WHEREAS**, on August 22, 2006, the County approved the Delegation of Duties and Assignment of Right from Victoria Golf, LLC to VICO, LLC (hereinafter "Lessee") for the management, operation and maintenance of the Victoria County Golf Course; and

**WHEREAS**, on January 14, 2008, the County and Lessee entered into a Lease Amendment (Amendment No. 4) to the Lease Agreement pursuant to which, among other things, Lessee began collecting the Golf Course Improvement Fee; and

**WHEREAS**, Subsection 5.01 of the Lease Agreement allows for the readjustment of minimum rent and/or percentage due to County upon demand by either party; and

**WHEREAS**, the County and Lessee desire to enter into this Lease Amendment Number 5 to Lease Agreement number 50215;

**NOW, THEREFORE**, the parties hereto agree as follows:

**1. LESSEE'S BASIC OBLIGATION**

1.01 Section 3, Subsection 3.01, (D). of the Lease Agreement entitled Golfmobiles and Golf Carts is deleted in its entirety and replaced with the following:

**D. Golfmobiles and Golf Carts**

1. Lessee shall provide a total of not less than eighty (80) power driven golf carts. In addition, Lessee shall provide enough manually operated golf carts to meet the public demand therefore at the Demised Premises. The Lessee may prohibit the use of golf carts on the golf course whenever weather conditions expose the user to danger or the golf course to damage arising from the operation thereon. All golf carts and the maintenance thereof shall comply with the specifications and maintenance requirements therefore as set forth in Exhibit A attached hereto.
2. Pursuant to the Department's commitment to non-discrimination on the basis of disability, the Lessee shall maintain at least one (1) equally accessible golf cart at the facility that is operational at all times and in addition to the total number golf carts identified above.



## 2. PAYMENT OF RENTAL

2.01 Section 5 of the Lease Agreement entitled Payment of Rental, is deleted in its entirety and replaced with the following:

5.1 Commencing the effective date of this Lease Amendment and continuing through the end of the term of this Lease Agreement, Lessee shall pay the County a monthly amount equal to the greater of: (1) the monthly minimum as outlined in Sections 5.1.2 through 5.1.5 below, and subject to readjustment, as provided for in Section 5.1.6 below; or (2) the sum of the percentages of the total monthly gross receipts as defined hereinafter.

5.1.1 During the term of this Lease Amendment, the percentages to be used in calculating the rent to the County from the gross receipts received from the rent categories are as follows:

**5%** for the sale of alcohol;

**5%** for the sale of food and non-alcoholic beverages;

**12.5%** for facility and room rentals; and

**2%** for the sale, repair, rental of golf related merchandise, vending machine sales and/or commissions, ancillary services and equipment related thereto, and any other miscellaneous sales

5.1.2 During the **first** year of this Lease Amendment:

**1%** of the gross receipts from the driving range, golf cart rentals, greens fees, tournament fees, and Senior Cards

5.1.3 Commencing on the first day of the **third** year of the term of this Lease Amendment:

**2%** of the gross receipts from the driving range, golf cart rentals, greens fees, tournament fees, and Senior Cards

5.1.4 Commencing on the first day of the **fourth** year of the term of this Lease Amendment:

**3%** of the gross receipts from the driving range, golf cart rentals, greens fees, tournament fees, and Senior Cards

5.1.5 Commencing on the first day of the **fifth** year of the term of this Lease Amendment and continuing through the end of the term of this Lease Agreement:

**4%** of the gross receipts from the driving range, golf cart rentals, greens fees, tournament fees, and Senior Cards

5.1.6 The monthly minimum amount provided for herein shall be subject to readjustment on July 1, 2018 and shall be subject to adjustment when the annual golf rounds played in the prior fiscal year (July 1, to June 30) meet the following:

<u><b>Rounds</b></u>	<u><b>Rent %</b></u>
61,000	1%
68,000	3%
70,000	4%
74,000	6%
80,000	10%
85,000	12%
90,000	14%

The adjusted monthly minimum rent percentage shall include all revenues received at the facility and shall never be less than the previous years adjusted monthly minimum amount. For example, assume Victoria Golf Course does 75,000 rounds in any fiscal year (July 1 – June 30), the minimum rent will be calculated by multiplying the Total Revenue

received by Lessee times six percent. If the Total Revenue is \$3,000,000 X 6% = \$180,000 annual minimum rent paid in monthly installments of \$15,000.

### **3.0 ACCOUNTING RECORDS**

3.01 Section 6 Accounting Records is deleted in its entirety and replaced with the following:

#### **6. ACCOUNTING RECORDS**

The Lessee shall maintain accurate and complete financial records of its activities and operations relating to this Lease Agreement in accordance with generally accepted accounting principles. The Lessee shall also maintain accurate and complete employment and other records relating to its performance of this Lease Agreement. The Lessee agrees that the County, or its authorized representatives, shall have access to and the right to examine, audit, excerpt, copy, or transcribe any pertinent transaction, activity, or record relating to this Lease Agreement. All such material, including, but not limited to, all financial records, bank statements, cancelled checks or other proof of payment, timecards, sign-in/sign-out sheets and other time and employment records, appropriate documentation for voided transactions (including approval for the void), and proprietary data and information, shall be kept and maintained by the Lessee and shall be made available to the County during the term of this Lease Agreement for eight (8) years from the date of transaction and for a period of five (5) years after the termination of the Lease Agreement unless the County's written permission is given to dispose of any such material prior to such time. All such material shall be maintained by the Lessee at a location in Los Angeles County, provided that if any such material is located outside Los Angeles County, then, at the County's option, the Lessee shall pay the County for travel, per diem, and other costs incurred by the County to examine, audit, excerpt, copy, or transcribe such material at such other location.

- 6.01 In the event that an audit of the Lessee is conducted specifically regarding this Lease Agreement by any Federal or State auditor, or by any auditor or accountant employed by the Lessee or otherwise, then the Lessee shall file a copy of such audit report with the County's Auditor Controller within thirty (30) days of the Lessee's receipt thereof, unless otherwise provided by applicable Federal or State law or under this Lease Agreement. Subject to applicable law, the County shall make a reasonable effort to maintain the confidentiality of such audit report(s).
- 6.02 Failure on the part of the Lessee to comply with any of the provisions of this Section 6 shall constitute an event of default as defined in Section 20 of the Lease Agreement and subject to the provisions of that Section 20 the County may pursuant to Section 19 of the Lease Agreement cancel (terminate) or suspend this Lease Agreement.
- 6.03 If the County notifies the Lessee that the Lessee did/does not, to the reasonable satisfaction of the County (1) adequately maintain the documents required under Section 6 of the Lease Agreement, and/or (2) did/does not have adequate internal controls, such that financial records could contain material errors and/or material omissions that would not be prevented and/or detected in the normal course of business, and/or (3) if the County is not able to reasonably determine whether the Lessee reported and paid the correct amount due to the County under this Lease Agreement, then the County will assess penalties specified in this section upon the Lessee. The parties hereby agree that it will be impracticable or extremely difficult to fix the extent of actual damages resulting from the failure of the Lessee to meet the requirements of this sub-section of the Lease Agreement, and that a reasonable estimate of such damages shall be \$500 per day for each day of the audit period in which the Lessee did not meet the

requirements under this sub-section of the Lease Agreement, and/or the County may terminate this Lease Agreement subject to the provisions of Section 19 and Section 20 of this Lease Agreement.

- 6.04 In the event the County hires an Independent Certified Public Accounting firm (CPA) to perform an audit of the Lessee's gross receipts and/or payments to the County, and if the CPA concludes that, due to inadequate records maintained by the Lessee, the CPA is unable to issue an unqualified opinion as to gross receipts for the Lessee, the CPA may employ alternative methods to impute rent for the period of inadequate records and calculate rent due. The CPA (or the County) may use the Lessee's gross receipts last audited (in which an unqualified audit opinion was expressed), inflated by the Consumer Price Index for All Urban Consumers for the Los Angeles, Riverside, and Orange County areas. Interest/late fees may also be separately applied. In any audit outlined in this Section 6.05 where a CPA firm is unable to issue an unqualified opinion as to Gross Receipts, Lessee shall pay for the cost of the CPA's audit and/or the County's review (including County costs associated with the CPA's audit, such as monitoring the audit, etc.).
- 6.05 In the event the County and/or a CPA firm concludes that the Lessee under-reported Gross Receipts to the County, and that under-reporting is equal to or greater than 2% of the Gross Receipts reported by the Lessee for the same period, and there being no reasonable basis for the failure to report and pay as determined at the sole discretion of the County, the Lessee shall pay for the cost of the CPA's audit and/or the County's review (including County costs associated with the CPA's audit, such as monitoring the audit, etc.).

- 6.06 Lessee shall furnish the Director with a monthly gross receipts report showing the amount payable to the County, and verification of all golf cart rental forms used during the month. Such a report shall accompany each monthly payment required to be made as provided herein. The monthly reporting period shall be by calendar month, rather than monthly anniversary date of the effective date of this Lease Agreement. In addition thereto, Lessee shall furnish the Director with monthly profit and loss statements and an annual profit and loss statement and a balance sheet prepared by a person and in a form acceptable to the Director. The monthly profit and loss statements shall be submitted within forty (40) days of the close of each monthly period. The annual financial statement shall be submitted within sixty (60) days of the close of an agreement year. Said closing date shall be determined by reference to the date for commencement of the term herein provided.
- 6.07 Lessee shall at all times during Lease Agreement period and for five (5) years after the termination/expiration of the Lease Agreement, keep, or cause to be kept, locally, to the reasonable satisfaction of the County true, accurate, and complete records for all accounting years covered by this Lease Agreement. Records will show all transactions relative to the conduct of operations, and be supported by data of original entry. Records shall detail transactions conducted on or from the premises separate and apart from those in connection with Lessee's other business operations, if any.
- 6.08 All sales and/or services shall be recorded by cash registers or computers which publicly display the amount of each sale and automatically issue a pre-numbered customer's receipt or certify the amount recorded on a sales slip. Cash registers shall have locked in sales totals and transaction counters that constantly

accumulate and cannot be reset, and issue a tape (or other equivalent security mechanism) located within the register that imprints sequential transaction numbers and sales details. Beginning and ending cash register readings shall be made a matter of daily record. In the event of a technical or electrical failure of the cash register, or when the use of an electric cash register is impracticable (e.g. beverage cart or remote barbeque sales), Lessee shall record by hand all collections, and issue a sequentially pre-numbered customer's receipt in like manner. Signs shall be visibly posted near all cash registers requesting the payer to ask the cashier for a receipt and, if possible, the sign should include a sample of the appropriate receipt."

#### **4. INDEMNIFICATION AND INSURANCE REQUIREMENTS**

4.01 Section 14 Indemnification and Insurance, is deleted in its entirety and replaced with the following:

#### **14. GENERAL PROVISIONS FOR ALL INSURANCE COVERAGE**

Without limiting Lessee's indemnification of County and the United States, and in the performance of this Lease Agreement and until all of its obligations pursuant to this Lease Agreement have been met, Lessee shall provide and maintain at its own expense insurance coverage satisfying the requirements specified in Sections 14.02.01 and 14.02.02 of this Lease Agreement. These minimum insurance coverage terms, types and limits (the "Required Insurance") also are in addition to and separate from any other contractual obligation imposed upon Lessee pursuant to this Lease Agreement. The County in no way warrants that the Required Insurance is sufficient to protect the Lessee for liabilities which may arise from or relate to this Lease Agreement.

##### **14.01 Evidence of Coverage and Notice to County**

- Certificate(s) of insurance coverage (Certificate) satisfactory to County, and a copy of an Additional Insured endorsement confirming County and the County of Los

Angeles Flood Control District, their agents, officers, and employees (defined below) has been given Insured status under the Lessee's General Liability policy, shall be delivered to County at the address shown below and provided prior to commencing services under this Sublease.

- Renewal Certificates shall be provided to County not less than 10 days prior to Lessee's policy expiration dates. The County reserves the right to obtain complete, certified copies of any required Lessee and/or Sub-Lessee insurance policies at any time.
- Certificates shall identify all Required Insurance coverage types and limits specified herein, reference this Sublease by name or number, and be signed by an authorized representative of the insurer(s). The Insured party named on the Certificate shall match the name of the Lessee identified as the contracting party in this Sublease. Certificates shall provide the full name of each insurer providing coverage, its NAIC (National Association of Insurance Commissioners) identification number, its financial rating, the amounts of any policy deductibles or self-insured retentions exceeding fifty thousand (\$50,000.00) dollars, and list any County required endorsement forms.
- Neither the County's failure to obtain, nor the County's receipt of, or failure to object to a non-complying insurance certificate or endorsement, or any other insurance documentation or information provided by the Lessee, its insurance broker(s) and/or insurer(s), shall be construed as a waiver of any of the Required Insurance provisions.



Certificates and copies of any required endorsements shall be sent  
to:

County of Los Angeles

Parks and Recreation

Contracts, Golf and Special Districts Division

301 North Baldwin Avenue, Arcadia, CA 91007

Attention: Kandy Hays, Chief

Lessee also shall promptly report to County any injury or property damage accident or incident, including any injury to a Lessee employee occurring on County property, and any loss, disappearance, destruction, misuse, or theft of County property, monies or securities entrusted to Lessee. Lessee also shall promptly notify County of any third party claim or suit filed against Lessee or any of its Sub-Lessees which arises from or relates to this Sublease, and could result in the filing of a claim or lawsuit against Lessee and/or County.

**14.01.01 Additional Insured Status and Scope of Coverage**

The County of Los Angeles, its Special Districts, the County of Los Angeles Flood Control District, Elected Officials, Officers, Agents, Employees and Volunteers (collectively County and its Agents) shall be provided additional insured status under Lessee's General Liability policy with respect to liability arising out of Lessee's ongoing and completed operations performed on behalf of the County. County and its Agents additional insured status shall apply with respect to liability and defense of suits arising out of the Lessee's acts or omissions, whether such liability is attributable to the Lessee or to the County. The full policy limits and scope of protection also shall apply to the County and its Agents as an additional insured,

even if they exceed the County's minimum Required Insurance specifications herein. Use of an automatic additional insured endorsement form is acceptable providing it satisfies the Required Insurance provisions herein.

**14.01.02 Cancellation of or Changes in Insurance**

Lessee shall provide County with, or Lessee's insurance policies shall contain a provision that County shall receive, written notice of cancellation or any change in Required Insurance, including insurer, limits of coverage, term of coverage or policy period. The written notice shall be provided to County at least ten (10) days in advance of cancellation for non-payment of premium and thirty (30) days in advance for any other cancellation or policy change. Failure to provide written notice of cancellation or any change in Required Insurance may constitute a material breach of the Contract, in the sole discretion of the County, upon which the County may suspend or terminate this Contract.

**14.01.03 Failure to Maintain Insurance**

Lessee's failure to maintain or to provide acceptable evidence that it maintains the Required Insurance shall constitute a material breach of the Contract, upon which County immediately may withhold payments due to Lessee, and/or suspend or terminate this Contract. County, at its sole discretion, may obtain damages from Lessee resulting from said breach. Alternatively, the County may purchase the Required Insurance, and without further notice to

Lessee, deduct the premium cost from sums due to Lessee or pursue Lessee reimbursement.

**14.01.04 Insurer Financial Ratings**

Coverage shall be placed with insurers acceptable to the County with A.M. Best ratings of not less than A:VII unless otherwise approved by County.

**14.01.05 Lessee's Insurance Shall Be Primary**

Lessee's insurance policies, with respect to any claims related to this Sublease, shall be primary with respect to all other sources of coverage available to Lessee. Any County maintained insurance or self-insurance coverage shall be in excess of and not contribute to any Lessee coverage.

**14.01.06 Waivers of Subrogation**

To the fullest extent permitted by law, the Lessee hereby waives its rights and its insurer(s)' rights of recovery against County under all the Required Insurance for any loss arising from or relating to this Sublease. The Lessee shall require its insurers to execute any waiver of subrogation endorsements which may be necessary to affect such waiver.

**14.01.07 Sub-Lessee Insurance Coverage Requirements**

Lessee shall include all Sub-Lessees as insureds under Lessee's own policies, or shall provide County with each Sub-Lessee's separate evidence of insurance coverage. Lessee shall be responsible for verifying each Sub-Lessee complies with the Required Insurance provisions herein, and shall require that each Sub-Lessee name the County and Lessee as additional insureds on the Sub-Lessee's General Liability policy. Lessee shall obtain County's

prior review and approval of any Sub-Lessee request for modification of the Required Insurance.

**14.01.08 Deductibles and Self-Insured Retentions (SIRs)**

Lessee's policies shall not obligate the County to pay any portion of any Lessee deductible or SIR. The County retains the right to require Lessee to reduce or eliminate policy deductibles and SIRs as respects the County, or to provide a bond guaranteeing Lessee's payment of all deductibles and SIRs, including all related claims investigation, administration and defense expenses. Such bond shall be executed by a corporate surety licensed to transact business in the State of California.

**14.01.09 Claims Made Coverage**

If any part of the Required Insurance is written on a claims made basis, any policy retroactive date shall precede the effective date of this Sublease. Lessee understands and agrees it shall maintain such coverage for a period of not less than three (3) years following Sublease expiration, termination or cancellation.

**14.01.10 Application of Excess Liability Coverage**

Lessees may use a combination of primary, and excess insurance policies which provide coverage as broad as ("follow form" over) the underlying primary policies, to satisfy the Required Insurance provisions.

**14.01.11 Separation of Insureds**

All liability policies shall provide cross-liability coverage as would be afforded by the standard ISO (Insurance Services Office, Inc.) separation of

insured's provision with no insured versus insured exclusions or limitations.

#### **14.01.12 Alternative Risk Financing Programs**

The County reserves the right to review, and then approve, Lessee use of self-insurance, risk retention groups, risk purchasing groups, pooling arrangements and captive insurance to satisfy the Required Insurance provisions. The County and its Agents shall be designated as an Additional Covered Party under any approved program.

#### **14.01.13 County Review and Approval of Insurance Requirements**

The County reserves the right to review and adjust the Required Insurance provisions, conditioned upon County's determination of changes in risk exposures.

### **14.02 INSURANCE COVERAGE REQUIREMENTS**

#### **14.02.01 Commercial General Liability**

Insurance (providing scope of coverage equivalent to ISO policy form CG 00 01), naming Lessor and its Agents as an additional insured. Policy will be endorsed for golf course operations and will have no exclusions for sporting events, with limits of not less than:

General Aggregate:	\$4,000,000
Products/Completed Operations Aggregate:	\$4,000,000
Personal and Advertising Injury:	\$4,000,000
Each Occurrence:	\$4,000,000

#### **14.02.02 Automobile Liability**

Insurance (providing scope of coverage equivalent to ISO policy form CA 00 01) with limits of not less than \$1 million for bodily injury and property damage, in

combined or equivalent split limits, for each single accident. Insurance shall cover liability arising out of Lessee's use of autos pursuant to this Sublease, including owned, leased, hired, non-owned autos, and/or mobile equipment (i.e. golf carts) as each may be applicable.

**14.02.03 Workers Compensation and Employers' Liability**

Insurance or qualified self-insurance satisfying statutory requirements, which includes Employers' Liability coverage with limits of not less than \$1 million per accident. If Lessee will provide leased employees, or, is an employee leasing or temporary staffing firm or a professional employer organization (PEO), coverage also shall include an Alternate Employer Endorsement (providing scope of coverage equivalent to ISO policy form WC 00 03 01 A) naming the County as the Alternate Employer, and the endorsement form shall be modified to provide that County will receive not less than thirty (30) days advance written notice of cancellation of this coverage provision. If applicable to Lessee's operations, coverage also shall be arranged to satisfy the requirements of any federal workers or workmen's compensation law or any federal occupational disease law.

**14.02.04 Sexual Misconduct Liability**

Insurance covering actual or alleged claims for sexual misconduct and/or molestation with limits of not less than \$2 million per claim and \$2 million aggregate, and claims for negligent employment, investigation, supervision, training or retention of, or failure to report

to proper authorities, a person(s) who committed any act of abuse, molestation, harassment, mistreatment or maltreatment of a sexual nature.

**14.02.05 Property Coverage**

Lessee's use of County owned or leased property for storage of Lessee's personal property, shall require Lessee to carry property coverage at least as broad as that provided by the ISO special causes of loss (ISO policy form CP 10 30) form. The County and its Agents shall be named as an Additional Insured and Loss Payee on Lessee's insurance as its interests may appear. Automobiles and mobile equipment shall be insured for their actual cash value. Real property and all other personal property shall be insured for their full replacement value.

**14.02.06 Periods of Construction**

During the period(s) of construction as required or authorized herein, and in addition to the aforementioned insurance coverage, Lessee shall provide the following forms and amounts of insurance:

- a. Builder's All-Risk Insurance: including flood coverage, covering the entire work, against loss or damage until completion and acceptance by the Director. Insurance shall be in an amount for the replacement value of the improvements and endorsed for broad form property damage, breach of warranty, explosion, collapse, and underground hazards. Deductibles shall

not exceed five percent (5%) of the construction cost.

- b. Professional Liability: Insurance covering liability arising from any error omission, or negligent act of the Lessee, its officers, employees, contractors, or agents with a limit of not less than One Million Dollars (\$1,000,000) per claim.

## **5. TRANSFERS**

5.01 Section 16 of Contract number 50215, "Transfers", is deleted in its entirety and replaced with the following:

### **16. TRANSFERS**

16.01 Lessee shall not assign its rights, delegate its duties, sublease, hypothecate, or mortgage this Lease Agreement, whether in whole or in part, with or without consideration, without the prior written consent of County. Any attempted assignment, delegation, sublease license, hypothecation, or mortgage without the consent shall be null and void, and at County's sole discretion, such assumption, assignment, delegation, or takeover of any of the Lessee's duties, responsibilities, obligations, or performance of same by any entity other than the Lessee, without County's express prior written approval, may result in the termination of the Lease Agreement. In the event of such termination, County shall be entitled to pursue the same remedies against the Lessee as it could pursue in the event of a default by Lessee. For purposes of this paragraph, County consent shall require a written Lease Amendment to the Lease Agreement, which is formally approved and executed by the parties. Any payments by County to any approved delegate or assignee on any claim under the Lease Agreement shall be deductible, at County's sole discretion, against the claims which Lessee may have against County.



- 16.02 Each and all of the provisions, agreements, terms, covenants and conditions herein contained to be performed by Lessee shall be binding upon any transferee thereof.
- 16.03 The use granted shall not be transferable by testamentary disposition or the State laws of interstate succession, as the rights, privileges, and use conferred by this Lease Agreement shall terminate prior to the date for expiration thereof in the event of the death of Lessee occurring within the term herein provided. Additionally, neither this Lease Agreement nor any interest therein shall be transferable in proceedings in attachment or execution against Lessee, or in voluntary or involuntary proceedings in bankruptcy or insolvency or receivership taken by or against Lessee, or by any process of law including proceedings under Chapter X or XI of the Bankruptcy Act.
- 16.04 Shareholders, partners, members or other equity holders of Lessee may transfer, sell, exchange, assign or divest themselves of any interest they may have therein. However, in the event any such sale, transfer, exchange, assignment or divestment is affected in such a way as to give majority control of Lessee to any person(s), corporation, partnership or legal entity other than the majority controlling interest therein at the time of the execution of this Lease Agreement, such disposition is an assignment requiring the prior written consent of the County in accordance with applicable provisions of this Lease Agreement and the transfer fee provided in Section 16.06 shall be assessed. Consent to any such transfer shall be refused if the Director, in his sole discretion, finds that the transferee is lacking in experience and/or financial ability to conduct the operation of the Victoria County Golf Course.
- 16.05 At any time during the term of this Lease Agreement, the Director may determine this Agreement null and void in the event that any of the qualifying individuals of the leasehold entity at the time of

execution of this Agreement is/are no longer a partner in said entity, unless that individual is replaced by an individual who, in the Director's sole discretion, possesses the necessary qualifications and experience to operate the Victoria County Golf Course or has in its employ a firm with the same qualifications. The Director's ability to determine the Agreement null and void shall be effectuated by providing Lessee with sixty (60) days written notice of such determination.

- 16.06 Any transfer, sale, exchange, assignment, or divestment of its rights and obligations pursuant to this Lease Agreement, as described in Paragraph 16.04 above, shall result in the Lessee paying to the County a transfer fee of the greater of (1) \$100,000 or (2) two percent (2%) of the greater of (a) the gross sale price or (b) the Fair Market Value (FMV) of Lessee's interest in the concession. The Director, in his sole discretion, may require Lessee to obtain, at Lessee's sole cost, an appraisal of the FMV of the Lessee's interest in the concession. The Director, at his sole discretion, may have the appraisal reviewed by an independent appraiser retained by County. The Director then reserves the right to require the Lessee, at Lessee's sole cost, to obtain an additional appraisal by a different appraiser. Said sum shall be payable to the County of Los Angeles Department of Parks and Recreation in full either within thirty (30) days after said consent is given or prior to the close of any escrow, whichever occurs first. Prior to Director's consent to such assignment, the assignor shall first deliver to assignee a written schedule of all sums due and owing to County from the assignor with such schedule in a form subject to the approval of the Director in all respects, and second, shall deliver to Director, as part of the acceptance of the assignment, a written acknowledgment by the assignee that the assignee (a) affirms the sums due and owing

to County and (b) accepts responsibility for payment of such sums directly to County.

**6. COUNTY SMOKING BAN ORDINANCE**

6.01 A new section 45, entitled Compliance With County's Smoking Ban Ordinance is added to the Lease Agreement and shall read as follows:

**45.0 COMPLIANCE WITH COUNTY'S SMOKING BAN ORDINANCE**

This Lease Agreement is subject to the provisions of the County's ordinance entitled Los Angeles County Code Title 17, Parks, Beaches, and Other Public Places, prohibiting smoking at County Parks ("Smoking Ban Ordinance") as codified in Sections 17.04.185 through 17.04.650 of the Los Angeles County Code."

**7. COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM**

7.01 A new section 46, entitled Lessee's Warranty of Compliance with County's Defaulted Property Tax Reduction Program is added to the Lease agreement and shall read as follows:

**46.0 LESSEE'S WARRANTY OF COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM**

46.01 Lessee acknowledges that County has established a goal of ensuring that all individuals and businesses that benefit financially from County through contract are current in paying their property tax obligations (secured and unsecured roll) in order to mitigate the economic burden otherwise imposed upon County and its tax payers.

46.02 Unless Lessee qualifies for an exemption or exclusion, Lessee warrants and certifies that to the best of its knowledge it is now in compliance, and during the term of this Lease will maintain compliance, with Los Angeles County code Chapter 2.206."

**8. TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM**

8.02 A new Section 47, entitled Termination For Breach of Warranty to Maintain Compliance with County's Defaulted Property Tax Reduction Program is added to the Lease Agreement and shall read as follows:

Failure of Lessee to maintain compliance with the requirements set for in Paragraph 46, Lessee's Warranty of Compliance with County's Defaulted Property Tax Reduction Program, shall constitute default under this Lease. Without limiting the rights and remedies available to County under any other provisions of this contract, failure of Lessee to cure such default within 10 days of written notice shall be grounds upon which County may terminate this Lease and/or pursue debarment of Lessee, pursuant to County code chapter 2.206.

**9. USE OF EXPANDED POLYSTYRENE (EPS) FOOD CONTAINERS**

9.01 A new Section 48, entitled Use of Expanded Polystyrene (EPS) Food Containers, is added to the Lease Agreement and shall read as follows:

**48. USE OF EXPANDED POLYSTYRENE (EPS) FOOD CONTAINERS**

The Lessee shall be required to comply with the County's policy on restricting its purchase and use of EPS food containers on County-owned facilities."

**10. GREEN INITIATIVES**

10.01 A new Section 49, entitled Green Initiatives, is added to the Lease Agreement and shall read as follows:

**49. GREEN INITIATIVES**

The Lessee shall use reasonable efforts to initiate "green" practices to comply with the County's policy on energy and environmental conservation benefits.

**11. ARTIFICIAL TRANS FAT REDUCTION PROGRAM**

11.01 A new Section 50, entitled Artificial Trans Fat Reduction Program, is added to the Lease Agreement and shall read as follows:

**50. ARTIFICIAL TRANS FAT REDUCTION PROGRAM**

- 50.1 Lessee agrees that it will participate in the County's Artificial Trans Fat Reduction (ATFR) Program, which mandates that no foods containing 0.5 grams or more of artificial trans fat per serving be stored, distributed, held for service, and/or used in the preparation of any menu item or in the Demised Premises, except for food that is being served directly to consumers in a manufacturer's original sealed package. Lessee shall provide the written certification attached hereto as Exhibit M stating that it has reviewed and is familiar with the requirements of the ATFR Program and will promptly obtain approval as a participant from the County's Public Health Department. Further information can be found at [www.lapublichealth.org](http://www.lapublichealth.org).
- 50.2 Within 5 days of the County's execution of this Sublease, Lessee shall submit to the County's Public Health Department all required application materials for participation in the ATFR Program, and shall thereafter diligently pursue approval as an ATFR participant. Lessee's failure to do either of the foregoing shall constitute a material breach of this Sublease and shall be grounds for immediate termination by the County. County shall have the right, in its sole discretion, to extend the time limit for submission of any and all application documents.
- 50.3 Upon County's approval of the Lessee's participation in the ATFR Program, Lessee shall have the same rights and obligations as any voluntary member of the ATFR Program (e.g., use of Program decal/logo, status updating, etc.), except for the right to terminate participation and as otherwise set forth herein.
- 50.4 In addition to any remedies provided the County by the ATFR Program's rules, any failure by Lessee to comply with the ATFR Program standards shall constitute a material breach of this Sublease entitling the County to terminate the Sublease in its

entirety or, if the Lessee provides service to multiple Demised Premises, with respect to the non-compliant facility. Prior to and/or in lieu of termination, the County may also, at its discretion, do any or all of the following:

- a. Impose liquidated damages. The parties agree that it will be impracticable or extremely difficult to fix the extent of actual damages resulting from Lessee's breach of this Section 50. The parties hereby agree that under the current circumstances a reasonable estimate of such damages is \$100 per day per non-compliant facility and that Lessee shall be liable to County for that amount.
- b. Require removal of all ATFR Program logo, signage and other advertising materials from the non-compliant Demised Premises and from any other location where such materials are used by the Lessee, including without limitation menus, menu boards, and dining table tent cards.
- c. Require Lessee to cure its non-compliance with ATFR Program standards within a period prescribed by the County, in its discretion.

## **12. LESSEE PERFORMANCE**

12.01 A new Section 51, entitled Lessee Performance, is added to the Lease Agreement and shall read as follows:

### **51. LESSEE PERFORMANCE**

The County maintains databases that track/monitor lessee performance history. Information entered into such databases may be used for a variety of purposes, including determining whether the County will exercise a contract term extension option.”

## **13. ACCEPTABLE FORMS OF PUBLIC REMITTANCE**

13.01 A new Section 52, entitled Acceptable forms of Public Remittance, is added to the Lease Agreement and shall read as follows:

## **52. ACCEPTABLE FORMS OF PUBLIC REMITTANCE**

In addition to cash and checks, the Lessee shall accept at least two (2) major credit cards as a form of payment made by the patrons for the services provided by the Lessee.

## **14. EXHIBITS**

14.01 Exhibit I of the Lease Agreement is deleted in its entirety and replaced with the attached Exhibit I.

14.02 The Lease Agreement is amended to include the following additional attached exhibits:

- a. Exhibit J – County's Smoking Ban Ordinance
- b. Exhibit K – Certification of Compliance with County's Defaulted Property Tax Reduction Program.
- c. Exhibit L - County's Defaulted Property Tax Reduction Program Ordinance.
- d. Exhibit M - Certification of Compliance with Artificial Trans Fat Reduction Program

## **15. PRIORITY OF LEASE AMENDMENTS**

In the event of any conflict or inconsistency in the definition or interpretation of this Lease Amendment No. 5, such conflict or inconsistency shall be resolve by giving precedence to Lease Amendment No. 5 and then to its Lease Amendments and the lease in descending numerical order.

## **18. ENTIRE AGREEMENT**

Due to the addition of new lease provisions, the section in the Lease Agreement entitled Entire Agreement is renumbered as Section 53.

## **19. RATIFICATION**

All other terms, conditions, covenants and promises of the Lease Agreement not affected by this Lease Amendment No. 5 shall remain in full force and effect and are hereby reaffirmed.


## **20. EFFECTIVE DATE**

The effective date of this Lease Amendment Number 5 shall be as identified hereinabove.


IN WITNESS WHEREOF, Lessee has executed this Lease Amendment, or caused it to be duly executed, and the County of Los Angeles, by order of its Board of Supervisors, has caused this Lease Amendment to be executed on its behalf by the Director of the Department of Parks and Recreation, or his designee, the month, the day and year first above written.

**COUNTY OF LOS ANGELES**

By

  
Director or Designee**LESSEE**

By

  
VICO, LLC**APPROVED AS TO FORM:**

MARY C. WICKHAM

Interim County Counsel

By



Christina A. Salseda

Principal Deputy County Counsel



**VICTORIA COUNTY GOLF COURSE  
LEASE AGREEMENT NUMBER 50215  
DELEGATION OF DUTIES AND ASSIGNMENT OF RIGHTS**

This Delegation of Duties and Assignment of Rights is entered into and effective this  
FIRST day of OCTOBER 2015,

by and between	<b>County of Los Angeles</b> (hereinafter "County")
and	<b>VICO, LLC</b> (hereinafter "Assignor")
and	<b>Plentitude Holdings, LLC</b> (hereinafter "Assignee") (collectively referred to as the "Parties")

**WHEREAS**, on July 9, 1985, the County and National Golf and Tennis, Inc. entered into a twenty (20) year Lease Agreement for the operation and maintenance of the Victoria County Golf Course, further identified as Lease Agreement Number 50215, and any Lease Amendments thereto (all hereinafter referred to as "Lease Agreement"); and

**WHEREAS**, in March 1994, National Golf and Tennis, Inc. transferred its interest in the lease to the Arnold Palmer Golf Management Company which was eventually re designated as Victoria Golf LLC; and

**WHEREAS**, on May 13, 1997, the County entered into a Lease Amendment (Amendment No. 1) to the Lease Agreement pursuant to which, among other things, provided for significant improvements to the Victoria Golf Course; and

**WHEREAS**, on July 27, 1999, the County entered into a Lease Amendment (Amendment No. 2) to the Lease Agreement pursuant to which, among other things, extend the term of the Lease Agreement thirty (30) years consecutive to the original term thereof; and

**WHEREAS**, on October 7, 2006, the County entered into a Lease Amendment (Amendment No. 3) to the Lease Agreement pursuant to which, among other things, allowed for the collection of funds for the County's Junior Golf Program; and

**WHEREAS**, on August 22, 2006, the County approved the Delegation of Duties and Assignment of Rights from Victoria Golf, LLC to VICO, LLC (hereinafter "Assignor") for the management, operation and maintenance of the Victoria County Golf Course; and

**WHEREAS**, on January 14, 2008, the County and Assignor entered into a Lease Amendment (Amendment No. 4) to the Lease Agreement pursuant to which, among other things, Assignor began collecting the Golf Course Improvement Fee; and

**WHEREAS**, on September 29, 2015, the County and Assignor entered into a Lease Amendment (Amendment No. 5) to the Lease Agreement to which, among other things, the County and Assignor agreed to modify the rental percentages paid to County as required by the Lease Agreement, pursuant to Section 5.01 of the Lease Agreement; and

**WHEREAS**, the Lease Agreement prohibits Assignor from the delegation of its duties or assigning its rights thereunder without the prior written consent of County; and

**WHEREAS**, it is the desire of the Parties hereto, with the consent of County, to delegate the duties and assign the rights under the Lease Agreement, from Assignor to Assignee; and

**NOW, THEREFORE**, the Parties agree as follows:

**RENTAL DEPOSIT**

- 1.01 Section 9 of the Lease Agreement Amendment 2 entitled Rental Deposit, is deleted in its entirety and replaced with the following:

**9. SECURITY DEPOSIT**

- 9.1 Within 30 days of the effective date of this Assignment, Assignee shall pay to the Director the sum of **One Hundred Fifty Thousand Dollars (\$150,000)** in the form of a cashier's check made payable to the Department of Parks and Recreation.
- 9.2 Said Security Deposit shall serve as security for faithful performance of all covenants, promises and conditions assumed herein by Assignee and

may be applied in satisfaction and/or mitigation of damages arising from a breach thereof, including, but not limited to, delinquent payments; correction of maintenance deficiencies; securing required insurance; loss of revenue due to abandonment, vacation or discontinuance of Assignee's operation; discrimination; refunding of deposits for scheduled future events which are required to be canceled due to abandonment, vacation or discontinuance of Assignee's operation; a breach of obligations assumed by Assignee herein with respect to the requirements therefore by County, including the payment of mechanic's liens. Application of amounts on deposit in satisfaction and/or mitigation of damages shall be without prejudice to the exercise of any other rights provided herein or by law to remedy a breach of this Agreement.

- 9.3 Said Security Deposit shall be returned to Assignee upon termination of this Agreement less any amounts that may be withheld there from by County as heretofore provided.

## **2. REPAYMENT OF PAST DUE RENT**

2.01 As consideration for past rent due to County from Assignor, and in consideration of the assignment of this Lease Agreement, Assignee agrees to pay County at total of One Million Eight Hundred Ninety Nine Thousand Nine Hundred Ninety Dollars (\$1,899,990) as follows:

1. Nine Hundred Thousand dollars (\$900,000) within sixty (60) days of the effective date of this Assignment.
2. Additionally, Assignee agrees to pay County six quarterly payments of One Hundred Sixty-Six Thousand Six Hundred Sixty-Five dollars and no/100 (\$166,665.00) each. These quarterly payments are due no later than; February 29, 2016, May 31, 2016, August 31, 2016, November 30, 2016, February 28, 2017 and May 31, 2017, respectively.

**3. CAPITAL IMPROVEMENT PROGRAM**

3.01 A) In consideration of this Delegation of Duties and Assignment of rights, Assignee agrees to expend at least Eight Hundred Thousand Dollars (\$800,000) in mutually agreed upon repairs and maintenance of the Victoria County Golf Course within two years of the effective date of this Assignment.

B) Assignee shall make three payments of Three Hundred Thirty Four Thousand Dollars and no/100 (\$334,000.00) each, to the County, to be deposited in to the Victoria County Golf Course Capital Improvement Trust Fund no later than September 30, 2018, September 30, 2019 and September 30, 2020, respectively.

C) In connection with any repair, maintenance, or construction project, Assignee shall comply with, and shall require all of its contractors to comply with, all applicable local, State, and Federal law, including, without limitation, the Labor Code and the Contract Code of the State of California.

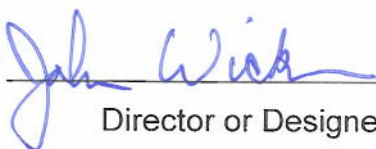
**4. CONTRACTING OF MANAGEMENT SERVICES**

4.01 A) Assignee agrees to retain the services of a golf management firm to maintain and operate the Victoria County Golf Course throughout the term of this Agreement. The golf management firm must have a minimum of five (5) years of experience, within the last fifteen (15) years, in the total management, operation and maintenance of a public golf course.

B) Assignee shall provide County with a minimum of sixty (60) days advance written notice prior to retaining the services of a different golf management firm. Any such new firm must meet the experience requirements set forth in section 4.01(A) above, and shall require advance written approval of the Director or his designee.

**IN WITNESS WHEREOF**, the Board of Supervisors of the County of Los Angeles has caused this Delegation of Duties and Assignment of Rights to Lease Agreement Number 50215 to be subscribed by its Director of the Department of Parks and Recreation, or his designee, and Assignor and Assignee have caused the same to be subscribed in its respective behalf by its duly authorized officer, the day, month, and year first above written.

**COUNTY OF LOS ANGELES**

By   
Director or Designee

**ASSIGNOR**


By   
VICO, LLC

**ASSIGNEE**

By   
Plentitude Holdings, LLC

**APPROVED AS TO FORM:**

MARY C. WICKHAM  
Interim County Counsel

By   
Christina A. Salseda  
Principal Deputy County Counsel

### ATTACHMENT III

Rounds of golf played in Southern California and the nation overall from 2007 to present;

- Rounds of golf played in Southern California and the nation overall, have declined significantly over the past decade. The rounds of play at the golf course since 2007 are as follows;

Fiscal Year	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Rounds	102,950	102,201	81,324	70, 574	63,252	51,726	39,985	51,517

- The primary cause of the golf courses decline in rounds of golf is attributed most notably to the extensive loss of turf in the fairway landing areas.

## ATTACHMENT IV

Percentage of gross receipts due to County;

<u>Revenue Category</u>	<u>Rent % Years1 &amp; 2</u>
Greens Fees	1%
Cart Fees	1%
Range Fees	1%
Facility Rental	12.5%
Food & Beverage	5%
Banquets	5%
Merchandise	2%
Equipment Rental	2%

During the third, fourth and fifth year of this agreement the rent percentage due for Green Fees, Cart Fees and Range Fees increase to 2,3 and 4% respectively.

Additionally, after the second full fiscal year of this agreement, should rounds of play exceed the following baselines, the rent percentages due to the Department increase to the following levels;

<u>Rounds</u>	<u>Rent %</u>
68,000	3%
70,000	4%
74,000	6%
80,000	10%
85,000	12%
90,000	14%